

STATE OF MICHIGAN

NATURAL RESOURCES COMMISSION

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DEPARTMENT OF NATURAL RESOURCES
David F. Hales, Director

S.E. MICHIGAN FIELD OFFICE
Waste Management Division
505 W. Main
Northville, MI 48167

US EPA RECORDS CENTER REGION 5



1004969

March 7, 1989

Frank Bierman
Dynecol, Inc.
6520 Georgia St.
Detroit, MI 48211

RE: MID 074259565/Financial Assurance

Dear Mr. Bierman,

A financial assurance review has been performed on the trust agreement for compliance with the requirements of Subtitle C of the Resource Conservation and Recovery Act (RCRA) of 1976, as amended; and Michigan's Hazardous Waste Management Act, Act 64 of 1979, as amended.

As a result of that review, the following violations were noted:

1. The 1982 executed trust agreement no longer meets the wording requirements of a trust under Act 64. Enclosed is a copy of the current approved wording.
2. To complete a review of the liability coverage, a current copy of the policy must be sent.
3. It appears from past liability insurance submittals that there is a \$500,000 deductible. Deductibles are not allowed unless covered by a separate financial mechanism.
4. Closure costs have not been calculated in accordance with 40 CFR 264.142 and Act 64, R299.9702(1).

We request your response by April 12, 1989, demonstrating these corrections to the trust agreement. If you have any questions, please contact me at (313) 344-4670.

Sincerely,

Daria W. Devantier
Environmental Quality Analyst

DWD:dwd
cc: B. Okwumabua
U.S. EPA, Region V



Inspection Priorities for RCRA Interim Status Financial Responsibility Requirements

1.

Dynecol

265.140(c) Is this a State or Federal Facility? *NO*

FINANCIAL ASSURANCE REQUIREMENTS

265.142(a) Is the written closure cost estimate available? *yes \$42,560*

265.144(a) Is the written post-closure cost estimate available? *N/A*

265.142(c) Have any revisions been made to the closure/post-closure cost estimates which increase the cost of closure/post-closure? *No*

265.142(d) Have the closure/post-closure cost estimates been revised to reflect the increased cost of closure/post-closure? *N/A although doesn't appear to be 3rd party cost*

265.142(b) Have the closure/post-closure cost estimates been updated to the current year by either recalculating the cost estimates or using an inflation factor derived from the most recent Implicit Price Deflator from the U.S. Department of Commerce?

Note: The annual Implicit Price Deflator covers the period from April 1987 to April 1988 (for example) and can be obtained from the Commerce Department Library in Chicago, (312) 353-4450.

needs to be recalculated

1980 - 85.7	1984 - 108.1
1981 - 97.0	1985 - 111.7
1982 - 100.0 base year	1986 - 114.5
1983 - 103.8	1987 - 116.4

265.143 Which financial instrument(s) is used to assure closure/post-closure care costs?

	<u>Closure</u>	<u>Post-Closure</u>
	<input checked="" type="checkbox"/> Trust Fund *	<input type="checkbox"/> Trust Fund *
	<input type="checkbox"/> Surety Bond*	<input type="checkbox"/> Surety Bond*
	<input type="checkbox"/> Letter of Credit*	<input type="checkbox"/> Letter of Credit*
	<input type="checkbox"/> Insurance*	<input type="checkbox"/> Insurance*
	<input type="checkbox"/> Financial Test	<input type="checkbox"/> Financial Test
	<input type="checkbox"/> Corporate Guarantee	<input type="checkbox"/> Corporate Guarantee
265.143(f)	<input type="checkbox"/> Combination of above*	<input type="checkbox"/> Combination of above*
265.145(f)	Specify:	Specify:
265.143(g)	<input type="checkbox"/> One instrument for multiple facilities ,	<input type="checkbox"/> One instrument for multiple facilities
265.145(g)	specify:	specify:

- 265.146 Has the owner or operator used one instrument for financial assurance of both closure and post-closure care? *only closure necessary*
- 265.142 Does the amount of the financial assurance instrument(s) equal
 265.144 or exceed the current closure/post-closure cost estimates? *yes*
current amount is \$48,461
- 265.150 Has the State assumed responsibility for the facility's compliance with closure/post-closure care requirements?
NO

LIABILITY REQUIREMENTS

- 265.147(a) Does the owner or operator have coverage for sudden accidental occurrences in an amount of at least \$1 million per occurrence with an annual aggregate of at least \$2 million, exclusive of legal defense costs? *yes*
- 265.147(a) What is the method of coverage?
- ☒ Insurance
 - ☐ Hazardous Waste Facility Endorsement, or
 - ☒ Certificate of Liability Insurance
 - ☐ Financial test.
 - ☐ Corporate Guarantee
 - ☐ Combination of financial test or corporate guarantee and insurance
- 265.147(b) Does the owner or operator of a surface impoundment, landfill, or land treatment facility which is used to manage hazardous waste have coverage for nonsudden accidental occurrences in the amount of at least \$3 million per occurrence with an annual aggregate of at least \$6 million, exclusive of legal defense costs?
- 265.147(b) What is the method of coverage? *N/A*
- ☐ Insurance
 - ☐ Hazardous Waste Facility Liability Endorsement, or
 - ☐ Certificate of Liability Insurance
 - ☐ Financial test
 - ☐ Corporate guarantee
 - ☐ Combination of financial test or corporate guarantee and insurance

- 265.147(e) After receiving final closure certifications from the owner or operator and an independent registered professional engineer, has the Director notified the owner or operator in writing that the owner or operator is no longer required to maintain liability coverage? *N/A*
- 265.150 Has the State assumed responsibility for the owner's or operator's compliance with the liability requirements for sudden and/or nonsudden accidental occurrences? *No*

Depending on the division of responsibility between the district offices and the central office in Lansing, the following may apply to a CEI inspection:

- 265.143 Does the wording of all financial instrument(s) match that
265.145 in 264.151 and identify the Director of MDNR rather than the
U.S. EPA Regional Administrator? *No*
- 265.143(a) Are the closure/post-closure cost estimates calculated according to
265.145(a) Federal and State requirements? *yes*
- 265.143 Have the procedures regarding the financial instrument(s) been
265.145 followed? *yes, except as noted in
letter of warning*

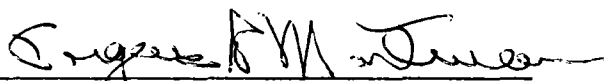
To: U.S. EPA Region 5
111 West Jackson Blvd.
Chicago, Ill. 60604
ATTN: Joseph Boyle

Hazardous Waste Facility
Certificate of Liability Insurance

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

1. Michigan Mutual Liability Insurance Company, 28 West Adams, Detroit MI 48226 hereby certifies that it has issued liability insurance covering bodily injury and property damage to Waste Acid Services, of 2520 Georgia, Detroit, MI 48213 in connection with the insured's obligation to demonstrate financial responsibility under 40 CFR 264.147 or 265.147. The coverage applies at MID 076 393 487 Waste Acid Services, Inc. 6520 Georgia, Detroit, MI 48211 for sudden accidental occurrences. The limits of liability are \$1,000,000 single limit Comprehensive General Liability, per occurrence and aggregate. \$10,000,000 single limit Umbrella, per occurrence and aggregate. exclusive of legal defense costs. The coverage is provided under policy number SRMG32-4-19340 Comprehensive General Liability and SRMG29-4-19340-4 Umbrella Liability policy issued on April 1, 1983. The effective date on said policies is April 1, 1983.
2. The Insurer further certifies the following with respect to the insurance described in Paragraph 1:
 - (a) Bankruptcy or insolvency of the insured shall not relieve the Insurer of its obligations under the policy.
 - (b) The Insurer is liable for the payment of amounts within any deductible applicable to the policy with a right of reimbursement by the insured for any such payment made by the Insurer. This provision does not apply with respect to that amount of any deductible for which coverage is demonstrated as specified in 40CFR 264.147(f) or 265.147(f).
 - (c) Whenever requested by a Regional Administrator of the U.S. Environmental Protection Agency (EPA), the Insurer agrees to furnish to the Regional Administrator a signed duplicate original of the policy and all endorsements.
 - (d) Cancellation of the insurance, whether by the Insurer or the insured, will be effective only upon written notice and only after the expiration of sixty (60) days after a copy of such written notice is received by the Regional Administrator(s) of the EPA Region(s) in which the facility(ies) is (are) located.
 - (e) Any other termination of the insurance will be effective only upon written notice and only after the expiration of thirty (30) days after a copy of such written notice is received by the Regional Administrator(s) of the EPA Region(s) in which the facility(ies) is (are) located.

I hereby cerify that the wording of this instrucment is identical to the working specified in 40 CFR 264.151 (j) as such regulation was constituted on the date first above written, and that the Insurer is licensed to transact the business of insurance, or eligible to provide insurance as an excess or surplus lines insurer, in one or more States.

A handwritten signature in dark ink, appearing to read "Eugene B. Martineau", written over a horizontal line.

Eugene B. Martineau
Authorized Representative of
Michigan Mutual

Michigan Mutual Insurance

30633 SCHOOLCRAFT • P. O. BOX 3336, LIVONIA, MI 48151
(313) 525-1600

June 13, 1983

• U.S.A. EPA Region #5
111 W. Jackson Blvd.
Chicago, IL 60604

ATTN: Joseph Boyle

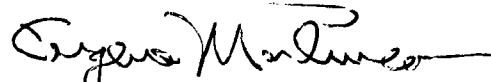
RE: Certificate of Liability Insurance
Hazard Waste Facility
Waste Acid Services

Dear Mr. Boyle:

Enclosed are certificates of insurance on your form from Michigan Mutual Insurance Company stating that we insure Waste Acid Services of Detroit, Michigan for one year from April 1, 1983.

Please contact me if there is anything more that we can do to assist our insured in this area.

Sincerely yours,



Eugene B. Martineau
Special Accounts Representative

EBM: jk

Enclosure



Michigan Mutual Insurance Company Associated General Insurance Company
Associated General Life Company

R E C E I V E D

JUN 16 1983

**WASTE MANAGEMENT
BRANCH**

FACILITY ID MID-074-259565cpded by 786 date coded 081083FACILITY NAME WASTE ACID

FACILITY CITY _____

☐ NEW
☒ CHANGE
☐ DELETE

APPLICABILITY

CLOSURE

A

B

E

POST_CLOSURE A

B

E

SUDDEN

A

B

E

NONSUDDEN

A

B

E

DATE SUBJ

yr mo date

CURRENT CLOSURE COST ESTIMATE

CURRENT POST CLOSURE COST ESTIMATE

PRIOR CLOSURE COST ESTIMATE

PRIOR POST CLOSURE COST ESTIMATE

INSTRUMENTS FOR ASSURANCE

<input type="checkbox"/> NEW	CODE	AMOUNT COVERED CLOSURE
<input checked="" type="checkbox"/> CHANGE	SEQUENCE NO.	AMOUNT COVERED POST CLOSURE
<input type="checkbox"/> DELETE	STATUS	CURRENT VALUE CLOSURE
	FREE FIELD 1	CURRENT VALUE POST CLOSURE
	FREE FIELD 2	DATE EXPIRES
	FREE FIELD 3	yr mo day

COMMENT TEXT (80 CHARACTERS MAXIMUM):

FINANCIAL PARTIES

<input type="checkbox"/> NEW	SEQUENCE NO.
<input checked="" type="checkbox"/> CHANGE	NAME
<input type="checkbox"/> DELETE	MAILING ADDRESS
	CITY
	STATE
	ZIP CODE

ENTERED: DATE 8-17-83
C. DEAN

18 AUG 1983

INSTRUMENTS FOR INSURANCE

NEW CODE M AMT PER OCCURRENCE FOR SUDDEN 1000000
CHANGE SEQUENCE NO. --- ANNUAL AMT FOR SUDDEN 1000000
DELETE STATUS A AMT PER OCCURRENCE FOR NONSUDDEN ---
FREE FIELD 1 B ANNUAL AMT FOR NONSUDDEN ---
FREE FIELD 2 --- DATE EXPIRES ---
FREE FIELD 3 --- yr mo day

COMMENT TEXT (80 CHARACTERS MAXIMUM):

MID 074259565

FINANCIAL PARTIES

NEW SEQUENCE NO. ---
CHANGE NAME MICHIGAN MUTUAL LIABILITY INSURANCE COMPANY
DELETE MAILING ADDRESS 28 W. ADAMS
CITY DETROIT
STATE MI ZIP CODE 48226

INSTRUMENTS FOR INSURANCE

NEW CODE --- AMT PER OCCURRENCE FOR SUDDEN ---
CHANGE SEQUENCE NO. --- ANNUAL AMT FOR SUDDEN ---
DELETE STATUS --- AMT PER OCCURRENCE FOR NONSUDDEN ---
FREE FIELD 1 --- ANNUAL AMT FOR NONSUDDEN ---
FREE FIELD 2 --- DATE EXPIRES ---
FREE FIELD 3 --- yr mo day

COMMENT TEXT (80 CHARACTERS MAXIMUM):

FINANCIAL PARTIES

NEW SEQUENCE NO. ---
CHANGE NAME ---
DELETE MAILING ADDRESS ---
CITY ---
STATE --- ZIP CODE ---